



CALIFORNIA TRANSPORTATION COMMISSION  
Approval to Retain Proceeds from Long-Term Ground Leases of a  
Portion of Taylor Yard Properties in Los Angeles by  
Los Angeles County Metropolitan Transportation Authority

DEC 14 2011  
CALIFORNIA  
TRANSPORTATION COMMISSION

Resolution G-11-12, Amending Resolution PRB-91-4 and FTA 75P830

- 1.1 WHEREAS, the electorate enacted Proposition 108, the Passenger Rail and Clean Air Bond Act of 1990, in the June, 1990 election authorizing the sale of general obligation rail bonds for rail transit purposes; and
- 1.2 WHEREAS, on February 21, 1991, the California Transportation Commission (Commission) adopted Resolution PRB-91-4, approving an allocation of \$41,600,000 in Proposition 108 Bond funds, matched by \$41,603,000 in local funds, to Los Angeles County Transportation Commission (LACTC), now the Los Angeles County Metropolitan Transportation Authority (LACMTA), for the purchase of the Taylor Yard Properties in Los Angeles for the purpose of establishing rail transit services; and
- 1.3 WHEREAS, on February 21, 1991, Commission Resolution G-91-2, established a "Hazardous Waste Identification and Clean-up Policy", and pursuant to its requirements, LACMTA, by a formal resolution of its Board, agreed to indemnify, defend and hold harmless the State, the California Department of Transportation and the Commission from clean-up liability or damage, both present and future; and LACMTA also agreed that no additional State funds will be requested for clean-up, damages, or liability associated with hazardous wastes on or below the acquired property; and
- 1.4 WHEREAS, LACMTA committed to provide any required local matching funds to fully fund the purchase of the Taylor Yard Properties to be used for the initiation of passenger rail service to benefit Los Angeles County and to dedicate the property in perpetuity for the provision of passenger rail service; and
- 1.5 WHEREAS, LACMTA has complied with bond funding requirements and rail service is now provided by the Southern California Regional Rail Authority (SCRRA or "Metrolink") on a portion of the Taylor Yard Properties connecting areas within Los Angeles County and expanding to other counties. Metrolink's rail service is supported by a maintenance facility located on another portion of the Taylor Yard Properties; and
- 1.6 WHEREAS, the purchase of the Taylor Yard Properties for \$83,202,600 included the Cornfield (Chinatown) property for \$17,153,928; the Union Station- Los Angeles River Bridge for \$100,000; and 62.85 acres of Taylor Yard (comprised of Parcels A, B and C and 7 acres of Parcel D, as defined in FTA 75P830) for \$65,948,672; and
- 1.7 WHEREAS, LACMTA notified the Commission of its intent to enter into long-term ground leases for the joint development of approximately 20.2 acres of the Taylor Yard Properties (about 32 percent of the 62.85 acres of Taylor Yard purchased under FTA 75P830); and

- 1.8 WHEREAS, LACMTA has requested Commission approval to retain the State's share of the ground lease revenues, to fund capital passenger rail service projects as well as operating and planning expenditures to provide passenger rail service in Los Angeles County; and
- 1.9 WHEREAS, LACMTA intends to use up to \$800,000 from its share of the revenues from ground leases for the remediation of contamination on the 20.2-acre portion of the Taylor Yard Properties it intends to ground lease for joint development purposes.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the California Transportation Commission hereby approves LACMTA's request to retain the State's share of revenues from the ground leases and dedicate the revenues to fund passenger rail capital projects in Los Angeles County; and
- 2.2 BE IT FURTHER RESOLVED, that LACMTA shall not use the State's share of the ground lease revenues for any operating and planning expenditures; and
- 2.3 BE IT FURTHER RESOLVED, that the Commission, as an investor in perpetuity in the Taylor Yard Properties, requires LACMTA to track the revenues from the long-term ground leases and expenditures under a separate account to: ensure eligible uses of such revenues to fund passenger rail capital projects in Los Angeles County; comply with anticipated state audits; prevent the State's share of such revenues from being used for hazardous waste clean-up costs, damages, or liability associated with contamination of the Taylor Yard Properties; and
- 2.4 BE IT FURTHER RESOLVED, that LACMTA will report to the Commission on a yearly basis on the use of the State's share of the ground lease revenues, specifying the improvements proposed for construction and/or constructed with the revenues and their purpose; and
- 2.5 BE IT FURTHER RESOLVED, that the Commission, in accordance with Resolution G-91-2 requires LACMTA to indemnify the State from hazardous waste clean-up liability or damages, both present and future; and no additional State funds will be requested for clean-up, damages, or liability associated with the Taylor Yard Properties; and
- 2.6 BE IT FURTHER RESOLVED, that LACMTA assures that passenger rail service will not be affected by the long-term ground leases on a portion of the property, and shall dedicate the remaining portion of the Taylor Yard Properties (not otherwise authorized by the CTC) in perpetuity for the provision of passenger rail service; and
- 2.7 BE IT FURTHER RESOLVED, that LACMTA accepts that all terms, conditions and provisions of Resolution PRB-91-4 and those in FTA 75P830 not amended by this action continue to apply to the revenues from the long-term ground leases of the Taylor Yard Properties; and

- 2.8 THEREFORE, BE IT THEN RESOLVED, that Resolution PRB-91-4 and FTA 75P830 are hereby amended, are incorporated into and made a part of this resolution; and thus, be it also resolved that Resolution G-11-12 is hereby adopted.